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Jean Webb  
Secretary  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Re: U.S. Futures Exchange, LLC — Trading Incentive Programs – Changes to U.S. Treasury Futures Program

Dear Ms. Webb:

On December 27, 2004, U.S. Futures Exchange, LLC (“Eurex US” or the “Exchange”) filed self-certification documents under Commodity Futures Trading Commission (“Commission”) Regulation 40.6, as amended by a second self-certification filing on January 11, 2005. Those filings detailed a supplement to the Exchange’s trading incentive program for its U.S. Treasury complex, first established by the Exchange in June of 2004. By this letter, the Exchange is making changes to the supplemental program.

Specifically, the Exchange will make the following changes:

1. Eliminate the volume obligations (monthly and daily) for the Market Makers (“MMs”) and the Early Volume Adopters (“EVAs”).
2. Compliant MMs and EVAs will not receive double credits if their daily volume exceeds 3,000 contracts on 15 of 22 trading days in a month.
3. MMs can choose to quote the Jumbo 2yr Treasury Future with either 2 ticks wide spread and 10 contracts up or 3 ticks spread and 25 contracts up, for 70% of the time in order to fulfill their obligations.
4. The values of the product weightings will change to the following: 5x for the 2yr Jumbo and the 3yr Treasury Futures, 1x for the 5yr Treasury Futures and 2x for the 10yr and 30yr Treasury Futures.

The changes are designated in the table below:

Program Terms	2004 (Current Incentive Program)	2005 Treasury Futures Incentives
Fee Holiday (Applies to all trades)	Feb. - Dec. 2004	None (\$0.05 per contract flat rate in effect)
Core Hour <sup>1</sup> MM Product Trading Requirement	2 of 4 Treasury Futures Products of MM Choice	Choice of Short-Term (2Y, 3Y, 5Y) or Long-Term (10Y, 30Y)
MM Bid/Ask Spreads <sup>2</sup>	2-4 Ticks depending on product liquidity	2-3 ticks depending on liquidity
MM Minimum Contract Size	2Y: 10; 5 and 10Y: 25; and 30Y: 20 or 10 depending on spread size	2Y: 10 or 25 <sup>3</sup> ; 3Y: 30; 5Y: 40; 10Y: 40; and 30Y: 15
MM Time Period	70% of Core Hours	Same as 2004
MM Minimum Volume Requirement	4,000 contracts per month (Approx. 200 contracts per day)	10,000 contracts per month <sup>4</sup>
MM Stipends	\$15,000 per month (Jul - Dec 2004)	\$5,000 per month (Jan - Mar 2005) \$10,000 per month (Apr - Dec 2005 for top 4 MMs in Short-Term and Long-Term)
Other MM Awards	Participation in Revenue Share	Participation in Revenue Share
MM Bonuses	None	None
Early Volume Adopter ("EVA") Product Trading Requirement	None	None
EVA Minimum Contracts Requirement	Jul - Sep 2004: 500 per day Oct - Dec 2004: 1000 per day 2005: 1000 per day	Jan. - Aug. 2005: 3000 per day <sup>5</sup>

<sup>1</sup> Core Trading Hours for Treasury Futures are 7:20 am to 2:00 pm Chicago time and for Russell Products are 8:30 am to 3:00 pm Chicago time. The existing MM program featured a European Hours plan, which is not reviewed here.

<sup>2</sup> Bid/Ask Spreads require quoting on both sides of the market at the maximum tick size between bid and offer prices.

<sup>3</sup> MMs can choose to quote the Jumbo 2yr Treasury Future with either 2 ticks wide spread and 10 contracts up or 3 ticks spread and 25 contracts up.

<sup>4</sup> This minimum contract requirement does not apply to MMs that comply with Options-MM-Program.

<sup>5</sup> Note that the current Treasury Futures program includes a Revenue Share component based on trading volumes for 2005. The amended program adds a guaranteed minimum pool if a participant trades 3000 contracts per day. The actual total volume is doubled if an EVA exceeds the minimum daily amount for purposes of calculating the EVA's pro-rata share of the revenue share amount.

Program Terms	2004 (Current Incentive Program)	2005 Treasury Futures Incentives
EVA Trading Days Requirement	15 of 20 (21) trading days per month	Same as 2004
EVA Rewards	Participation in Revenue Share	Participation in Revenue Share
Revenue Share Pool	Jul-Sep 2004: 20% of 2005 Revenues <sup>6</sup> Oct.-Dec. 2004: 20% of 2005 Revenues 2005: 25% of 2006 Revenues	Jan. - Aug. 2005: 25% of 2006 Revenues
Guaranteed Minimum/Maximum Pool	Jul - Sep 2004: \$5MM - \$10MM Oct-Dec 2004: \$5MM - \$10MM	Jan. - Aug. 2005: \$5MM minimum <sup>7</sup>
Per Contract Payout Limit	\$5.00	\$5.00
Miscellaneous Rewards	iPod Giveaway	None

<sup>6</sup> Revenues derived from trading in the underlying futures contracts.

<sup>7</sup> For purposes of calculating payouts for the guaranteed minimum revenue share pool for 2005 activity, the Exchange will apply the following weightings depending on the contract traded: 2Y/3Y=2:3=500%; 5Y=3:0=100%; 10Y=2:5:0=200%; and 30Y=2:3:0=200%. These relative weightings may be adjusted at the Exchange's discretion based on trading results with sufficient notice to all participants.

If you have any questions or comments, please do not hesitate to contact me at (312) 544-1076 or [matt.lisle@eurexus.com](mailto:matt.lisle@eurexus.com).

Very truly yours,

Matt Lisle  
Chief of Compliance

CC: Stephen Braverman  
Riva Adriance  
David Van Wagner